

UNC DSC Contract Management Committee Minutes

Wednesday 17 June 2020

Via Teleconference

Attendees

Alan Raper (Chair)	(AR)	Joint Office	Non-Voting
Helen Cuin (Secretary)	(HCu)	Joint Office	Non-Voting

Shipper User Representatives (Voting)

Clare Cattle-Jones <i>(and alternate for S Clements)</i>	(CCJ)	SSE	Class A Voting
Lorna Lewin	(LL)	Orsted	Class B Voting
Steve Mulinganie	(SM)	Gazprom Energy	Class C Voting

Transporter Representatives (Voting)

Helen Chandler	(HCh)	Northern Gas Networks	DNO Voting
Sally Hardman	(SHa)	Scotia Gas Networks	DNO Voting
Teresa Thompson <i>(and alternate for R Loukes)</i>	(TT)	National Grid	NTS Voting
Brandon Rodrigues	(BR)	IGT Representative	IGT Voting
Alex Travell <i>(alternate for Rebecca Cailles)</i>	(AT)	IGT Representative	IGT Voting

CDSP Contract Management Representatives (Non-Voting)

Jayne M ^o Glone	(JMc)	Xoserve	
Michele Downes	(MD)	Xoserve	

Observers/Presenters (Non-Voting)

Angela Clarke	(AC)	Xoserve	
Andy Szabo	(AS)	Xoserve	
David Turpin	(DTu)	Xoserve	
David Turvey	(DT)	Xoserve	
Denis Regan	(DR)	Xoserve	
Emma Lyndon	(EL)	Xoserve	
Fiona Cottam	(FC)	Xoserve	
Guv Dosanjh	(GD)	Cadent	
Leteria Beccano	(LB)	Wales & West Utilities	
Linda Whitcroft	(LW)	Xoserve	
Jason McLeod	(JMcl)	Xoserve	
Mark Pollard	(MPo)	Xoserve	
Nick Stace	(NS)	Xoserve	
Peta Haworth	(PH)	Xoserve	
Shiv Singh	(SS)	Cadent	

Copies of all papers are available at: <https://www.gasgovernance.co.uk/dsc-contract/170620>

1. Introduction

Alan Raper (AR) welcomed all to the meeting, confirming the meeting to be quorate.

1.1. Apologies for absence

Stephanie Clements, Shipper Representative
 Richard Loukes, NTS Representative
 Rebecca Cailles, IGT Representative

1.2. Alternates

Clare Cattle-Jones for Stephanie Clements
 Alex Travell for Rebecca Cailles
 Teresa Thompson for Richard Loukes

1.3. Confirm Voting rights

Representative	Classification	Vote Count
Shipper		
Clare Cattle-Jones (+ Alternate for Stephanie Clements)	Shipper Class A	2 votes
Lorna Lewin	Shipper Class B	2 votes
Steve Mulinganie	Shipper Class C	2 votes
Transporter		
Sally Hardman	DNO	1 vote
Helen Chandler	DNO	1 vote
Teresa Thompson (+ Alternate for Richard Loukes)	NTS	2 votes
Alex Travell (Alternate for Rebecca Cailles)	IGT	1 vote
Brandon Rodrigues	IGT	1 vote

1.4. Approval of Minutes (20 May 2020)

The minutes of the previous meeting were approved.

1.5. Approval of Late Papers

AR noted one late paper which was accepted.

1.6. Review of Outstanding Actions

0401: Xoserve (FC) to provide a paper on options how the industry can best use machine learning in NDM allocation at the July meeting.

Update: This action is due to be presented at the July meeting. **Carried Forward.**

0501: Xoserve (DA/JMc) to provide Steve Mulinganie (SM) with a list of questions for the RECCo board to ensure any considerations are addressed efficiently.

Update: See item 4.0 and 4.1. **Closed.**

0502: Xoserve (DA) to arrange a Retail Energy Code (REC) Workshop for CDSP customers.

Update: See item 4.0 and 4.1. **Closed.**

2. COVID-19 Update

2.1. Customer Update

Andy Szabo (AS) provided a brief update on the approach for supporting the industry, confirming Xoserve/CDSP remain working with a remote model, resourcing impacts and availability is in a strong position and regular communications continue with customers.

Steve Mulinganie (SM) confirmed that a meeting is being planned with Ofgem following their letter and for an action to check the CDSP are aligned with Ofgem's requirements. SM explained there is a piece of analysis to do. AS confirmed Xoserve/CDSP are preparing for a number of scenarios and restrictions for up to 12 months and will be undertaking a cross-check to ensure they can cater to anything in Ofgem's letter.

Fiona Cottam (FC) explained there has not been a large take-up of the options offered with the COVID-19 Modifications. As an example, FC confirmed there have been 1200 isolations, as the CDSP are not seeing large numbers, they are not expecting a huge impact. FC reported that some isolations will be pre-lock down isolations, but at present isolations are a 1/3 of the normal level, (1200 a month opposed to 3000 a month).

FC reported that Unidentified Gas (UIG) took a positive turn in the Spring Bank Holiday week, the meter read Modification will not feed into AQs for some time, isolations are low, and the theory behind the positive the NDM algorithm was the expectation for a downturn in I&C demand.

FC confirmed that the CDSP will be looking at the weather variables and if these have been in-line with seasonal normal expectations and if there were any other influencing factors (not just COVID-19). FC explained the reports do not provide commentary so there is a need to understand the market and interpret the data.

FC went on to explain that the CDSP cannot identify how many reads have been submitted under Modification 0722 read rules, however generally read volumes are lower, putting AQ at an increased risk. FC confirmed 11% of GB AQ is overdue a meter reading, this is up from 8-9% in April, due to a clear drop-off of read submissions.

Helen Chandler (HCh) asked further to the update provided on the COVID-19 Modifications, if the slides presented at the Performance Assurance Committee (PAC), could these be shared to gain a better understanding of the uptake.

FC confirmed the information presented can be shared however there are certain elements which can't be clarified, such as whether isolations are related to COVID-19 or estimated reads submitted as there was not time to develop a new flag. Parties can only use existing codes and these cannot be used to distinguish Mod 722 reads. FC explained for certain aspects the CDSP can only look at the overall numbers, pre-COVID19 activity versus current activity.

SM suggested that for isolations, the CDSP could cross check the isolation flag against an RGMA flow which would provide a strong indication if an isolation is not related to Modification 0723.

3. Approvals

3.1. DRR National Grid ESO access to Data Reporting

David Turvey (DT) summarised the changes to the Disclosure Request Report (DRR) to allow National Grid Electricity System Operator (ESO) access to data. DT confirmed that Modification 0715S: "Amendment of the Data Permission Matrix and UNC TPD Section V5 to add Electricity System Operator (ESO) as a new User type", and the IGT UNC equivalent Modification IGT139, were both approved for implementation during June 2020. These Modifications introduced National Grid ESO as a new user type to both UNC and IGTUNC and added National Grid ESO to the Data Permissions Matrix. The DRR is to provide to National Grid ESO the data that they require for fulfilling requirements.

No further comments were made from the Committee Representatives.

Committee Representatives were asked to approve the DRR. DRR Approval was unanimously provided as follows:

Voting Outcome:		
Shipper	Voting Count	For/Against
Clare Cattle-Jones	2	For
Lorna Lewin	2	For
Steve Mulinganie	2	For
Total	6	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Helen Chandler	1	For
Teresa Thompson	2	For
Alex Travell	1	For
Brandon Rodrigues	1	For
Total	6	For

4. Retail Energy Code (REC) Update

Jayne McGlone (JMc) confirmed that the CDSP had been asked to facilitate a Workshop to assess the existing Data Permissions Matrix and whether each data item should be proposed as mastered under the REC or the UNC. JMc referred to the update provided to Committee members via email entitled: "Assessment of DPM in relation to UNC / REC Mastering".

JMc explained that Ofgem had posed a number of questions which were considered at the Workshop. The view of the Workshop was that some data items will be mastered under the REC and some under the UNC.

The DSC Committee considered the need to have an opportunity to review the data mastered with their constituencies. JMc confirmed that RECCo proposed that there should be a consultation process that would allow DSC parties an opportunity to provide a response to the availability and the use of UNC mastered data items being shared under the REC. Xoserve has requested that this is an approval process rather than a consultation process as DSC Parties who are non REC parties should have the opportunity to approve data that is mastered under the UNC being shared under the REC. This process was discussed as part of the workshop. More information will be shared after the meeting.

JMc confirmed that as a result of the Workshop CDSP wished for the Contract Management Committee to confirm agreement to the proposed mastery of data items and approve CDSP sharing the proposed mastery of data items with Ofgem.

SM wanted to understand if there was time in the timetable to share the information with the constituencies before sharing this with Ofgem and wanted to understand the timelines. JMc was keen to report back to Ofgem and not hold up providing Ofgem with a response.

Alex Travel (AT) believed that the Committee is endorsing the Workshop's recommendation rather than approving the data items. The Committee discussed the next steps and agreed that the information could be shared with RECCo and Ofgem, on the understanding there would be a further opportunity for a consultation.

4.1. REC UNC Data Items

Committee Representatives were asked to endorse the spreadsheet listing the data items. The spreadsheet was unanimously endorsed for provision to Ofgem and RECCo as follows:

Voting Outcome:		
Shipper	Voting Count	For/Against

Clare Cattle-Jones	2	For
Lorna Lewin	2	For
Steve Mulinganie	2	For
Total	6	For
Transporter Representatives	Voting Count	For/Against
Sally Hardman	1	For
Helen Chandler	1	For
Teresa Thompson	2	For
Alex Travell	1	For
Brandon Rodrigues	1	For
Total	6	For

5. Business Plan Updates

5.1. BP20 Centrica Appeal update (linked to item 14.3)

JMc confirmed that there was a limited update from Ofgem on the submitted appeal. However, Ofgem are planning on sending a timeline and confirmation of when they expect to have a decision.

Referring to item **14.3 - Data Lake Inception Overview** Jason McLeod (JMcl) provided the Committee with an update on moving the Data Lake initiative forward, this was provided as a confidential Committee paper to members only.

JMcL explained this was the First Year of a 3 Year investment programme. Year 1 will be the foundation stage, setting out the building blocks, with larger gains in Years 2 & 3. By the end of Year 3 the CDSP improve data analysis capability, wanting to provide more insight and forward positions. The investment is in response to customer feedback and to ensure the CDSP drive value. JMcl provide the Data Lake objectives which included, data consistency, improved decision making, ease of access, and increased speed.

Sally Hardman (SH) asked what the CDSP are going to do to improve data quality, JMcl explained the isolated data sets that drive reports, the building of a common data model, and the intention to undertake data quality checks.

JMcL provided the expected capabilities, customer benefits and estimated costs for each quarter within Year 1.

AT enquired about the data governance and the evolution, and what this may look like. JMcl explained the programme will look at the common standards the CDSP need to adhere to, to meet customer expectations, stewardship, ownership of data, and what the information is being used for.

AT, referring to the Data Taskforce recommendations, asked if the CDSP could provide a roadmap to assist others to better understand why this work is being undertaken and to provide further clarity.

SM asked how the CDSP is going to provide assurance that the right capabilities are in place and how it's going to measure and report success.

David Turpin (DT) explained that the CDSP have started to move forward with a number of recommended investments in order to ensure the benefits can be achieved in 20/21. Since no decision on the appeal has been received, where possible Xoserve are avoiding long-term committed costs, for example by creating short-term contracts.

5.2. BP21 Introduction

Peta Haworth (PH) provided a verbal update on the Business Planning process for 2021 and the production of the Annual Report, standardising the process, and providing greater transparency.

PH explained a Principles and Approach document will be published on Xoserve.com and Customer Advocates will be gathering feedback.

PH confirmed that the CDSP will be moving from 9 focus areas down to 4, these being: Customer Experience, Exceptional Insight, a Gemini Roadmap and a UK Link Roadmap, more deep-dives and overviews will be provided.

SH enquired about the key performance measures/indicators and if this is being figured into the process. PH explained this is a separate piece of work and will be referenced as a piece of work.

6. Key Performance Measures Review

JMc provided a brief confidential presentation including a table of the what the reporting will look like moving forward. JMc confirmed the papers were emailed on 09 June to Committee members. JMc stated feedback / views / concerns from the Committee would be welcomed.

JMc confirmed the CDSP would be separating the cost allocation review from the Key Performance Measures as these would be the focus for July customer meetings with the aim of seeking approval of the outcome of this review at July CoMC. Approval of the Key Performance Measure (KPMs) will be sought in August. JMc advised that some revisions to the Service Description Tables would be required.

Clare Cattle-Jones (CCJ) enquired about what engagement there had been with Class A Shippers. JMc stated that a meeting had been held in June to discuss with Shippers but agreed to contact CCJ following today's meeting to provide further details of this.

Linda Whitcroft (LW) reported that the cost to serve and customer effort measures are also being considered as part of the review. The CDSP are currently contemplating how best to engage with customers, to obtain feedback and consider mitigating actions. LW suggested the CDSP could hold Workshops to get more information to understand customer requirements although also wanted to gauge if parties could and would commit time to this to allow for a full review.

Wanting to ensure Xoserve/CDSP have a good response, SM suggested that a survey may be easier than standing up resources to attend a Workshop.

New Action 0601: Xoserve/CDSP (JMc/LW) to consider the best way to engage with customers to develop the Customer Effort measure and whether this should be conducted via a survey or Workshop.

AR asked parties to consider what elements of the current Management Information/Measures they would like to see carried across, and whether there would be parallel reports as an interim.

JMc clarified that, if approved, the Key Performance Measures would replace the existing KPI and KVIs and confirmed that the new measures could be run in parallel with KPI/KVIs for a couple of months whilst the new measures are embedded.

LW advised of a caveat for the new measures as the CDSP would be taking the slice of data differently and that there will be differences in the reporting based on a reflection of customer viewpoints.

Brandon Rodrigues (BR) requested early sight of the cost allocation information to share this prior to the July meeting. JMc anticipated customer meetings would be arranged to share this information week commencing 29 June 2020.

7. Monthly Contract Management Report (KPIs)

7.1. Contract Metrics including Invoicing

Paper published for information.

7.2. Xoserve Incident Summary

Paper published for information. No discussions held.

7.3. Issue Management Updates

7.3.1. Issue Management Dashboard

Paper published for information. No discussions held.

7.3.2. Amendment Invoice Taskforce Update

Paper published for information. No discussions held.

7.3.3. Enabling large scale utilisation of Class 3

No discussions held.

7.3.4. AQ Taskforce Update

SM enquired about the activities of AQ Taskforce which had been established and that, although updates have been quiet, parties are seeing AQ issues permeate. He explained that there are consequences, and that the values are becoming more significant to businesses.

SM believed there was an opportunity to have more insight into the problems with Aqs and welcomed more information from the CDSP.

Denis Regan (DR) confirmed that the CDSP continues to focus on the defect position, and are making some inroads, seeing fewer instances. DR provided an overview of the taskforce and that the CDSP is looking at a plan of attack to address issues, he provided a brief overview of the open AQ defects.

DR confirmed a detailed update would be provided in due course, an executive summary of what is being undertaken, the materiality and the action/adjustment plan to share more insight.

SM expressed concern that this issue could have significant commercial impacts. He expressed that with the UIG taskforce there was more engagement, and while he understood the approach of AQ Taskforce, he still had a degree of concern. SM encouraged the CDSP to communicate, in high-level plain-English, an explanation in terms of adjustments that need to be made.

DR explained the complexities with reporting materiality, due to the effect of corrections and subsequent adjustments.

AR asked if more needed to be done to improve visibility and if the commercial aspects need to be shared in a wider forum.

New Action 0602: Xoserve/CDSP (MD/DR) to provide more insight and visibility of the problems with Aqs.

7.4. KVI Summary

No discussions held.

7.4.1. April KVI Summary

Paper published for information. No discussions held.

7.4.2. April KVI Scorecard

Paper published for information. No discussions held.

7.4.3. April KVI Customer Service

Paper published for information. No discussions held.

7.4.4. April Communication

No discussions held.

8. CSS Update

Emma Lyndon (EM) referred to the provided a CSSC Programme Dashboard and highlighted a number of areas for the Committee's attention.

Referring to Slide 2, EM noted that at the moment the programme is at an Amber Status, due to the uncertainties with the Ofgem plan and they were waiting for SI to engage. EM explained that some elements are filtering through from various Workgroups and the CDSP are within the testing phase.

EM confirmed that 33 defects had been found and were sitting with Landmark for rectification. Test plans are being considered to understand the required re-planning. EM explained that the CDSP is concerned about tests backing-up and the ability to manage timelines. The appropriate governance channels are being used to express the concerns/risks, and regular updates will be provided on the testing phases.

EM provided an update on the financials, explaining some additional costs would be accruing against the budget line for 2021/22. There will be a revised budget line/plan and an extension to project. Based on current estimates and high-level assumptions, a £5m contingency had been put into the budget line.

SM asked about delivery potentially pushing out from April 2022 to June 2022 and the additional costs. It was anticipated that a June delivery would increase costs by £2m. EM explained the CDSP need to consider the budget planning when there is better clarity.

EM reassured the Committee that, where possible, the CDSP is rationalising costs and utilising available environments, to minimise the budget impacts.

9. Information Security Update

Due July. No discussions held.

10. Business Continuity Plan

Due August. No discussions held.

11. Contract Assurance Audit

Due August. No discussions held.

12. Financial Information

Due July. No discussions held.

13. Key Committee Updates

13.1. DSC Change Management Committee

Paper provided for information. No discussions held.

14. Any Other Business

14.1. Xoserve IX refresh update

Mark Pollard (MPo) explained there continues to be a significant impact on the project due to COVID-19. However, with a relaxation and sites starting to re-open, the CDSP is re-engaging with customers. 60% of customers are now in a position to continue and BT Openreach have provided dates in June to continue works. The CDSP are expecting to extend the Vodafone contract for 6 months.

14.2. DSC Debt Options

Brendan Gill (BG) provided an CDSP Debt update confirming that currently there is in the region of £53.5k of CDSP debt due to a number of CDSP customers failing (17 Suppliers and 2 Shippers).

Two Shipper Terminations have been undertaken which accounts for £39k the debt. BG confirmed where the debt is greater than £1k, (excluding VAT), then a proof of debt is lodged with the Insolvency Practitioner to recover some/all of the debt. £51.6k of the £53.5k has been lodged with Administrators as claims. BG also provided a list of failed Customers and provided a summary of 19 total failures since the introduction of the DSC.

BG explained the Credit Rules and the need to consider how the recovery is undertaken, as there is no documented mechanism in place, and some further clarity maybe required for on certain definitions.

BG confirmed that for the avoidance of doubt that the definition of cost would be updated to include debt

Some questions were asked about whether the definition of cost should include debt for clarity. Leteria Beccano (LB) questioned if debt is simply the costs that are owed.

LB also wished to understand what the timings were for charging the DNs for the outstanding debt.

The Committee considered the timing of recovery, the materiality, the effects on the CDSP's budget, how to manage unrecoverable debt and charging adjustments.

LB asked about the materiality and pass-through ramifications, should Committee consider triggering a mid-year process.

SM enquired about the routes for material recoveries and the impact on the ability to run the CDSP business. LB suggested this should be documented. SM asked if the Credit Rules would need to be amended, AR asked what the changes would be and what the governance was would be.

SM confirmed that the DSC Credit Committee would need to amend the Credit Rules, to include a mid-year re-opener. BG enquired if there would be a need to define the level of materiality.

BR asked if New Users/Shippers would have sight of costs when they submit an application. BG confirmed a New User/Shipper would not have visibility. SM wished to note, however, that the costs for new entrants would be proportionately and relatively low.

BG explained that CDSP debt is currently captured under the 'Management of Business Costs' and that the Credit Rules state that all customers shall become liable for the debt. He questioned if it would be fairer to recover the debt in the constituency that the debt occurred. SM believed there would be issues with constituency based recovery as there would be a need a more robust process to ensure parties are in the right constituency at the time of the recovery as this is assigned on a snapshot (single point in time) which could change.

As the debt is considered to sit on the CDSP at a corporate level, there was a general consensus that this should not be changed to a constituency-based recovery mechanism.

BR enquired if large Transporters could recover costs, and if IGTs are dealt with in the same manner. It was noted there is degree of difference in the recoverability of costs.

AT asked if credit recovery arrangements are the same. BG explained that GTs do not have security whereas 99% of categories of customers have an unsecured credit rating.

In conclusion BG wished to note that the issue was in hand with how to manage the £53.5k, which he noted may become unrecoverable, and, so far, there has been no indication that COVID-19 has resulted in a significant change that would trigger the need further debt recovery. However, these discussions have highlighted areas which need further examination.

14.3. Data Lake Inception Overview (linked to item 5.1)

See item 5.1.

15. Diary Planning

Further details of planned meetings are available at: www.gasgovernance.co.uk/events-calendar/month

Meetings will take place as follows:

Time/Date	Venue	Programme
09:30 Wednesday 15 July 2020	Microsoft Teams	Standard Agenda
09:30 Wednesday 19 August 2020	Microsoft Teams	Standard Agenda
10:30 Wednesday 16 September 2020	Lansdowne Gate, 65 New Road, Solihull B91 3DL	Standard Agenda

Action Table (as at 17 June 2020)

Action Ref	Meeting Date	Minute Ref	Action	Owner	Status Update
0401	15/04/20	1.6	Xoserve (FC) to provide a paper on options how the industry can best use machine learning in NDM Allocation at the July meeting.	Xoserve (FC)	Carried Forward until July
0501	20/05/20	4.0	Xoserve (DA/JMc) to provide Steve Mulinganie (SM) with a list of questions for the RECCo board to ensure any considerations are addressed efficiently.	Xoserve (DA/JMc)	Closed
0502	20/05/20	4.0	Xoserve (DA) to arrange a Retail Energy Code (REC) Workshop for CDSP customers.	Xoserve (DA)	Closed
0601	11/06/20	6.0	Xoserve/CDSP (JMc/LW) to consider the best way to engage with customers to develop the Customer Effort measure and whether this should be conducted via a survey or Workshop.	Xoserve (JMc/LW)	Pending
0602	11/06/20	7.3.4	Xoserve/CDSP (MD/DR) to provide more insight and visibility of the problems with AQs.	Xoserve/CDSP (MD/DR)	Pending